



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF POSTSECONDARY EDUCATION

JUL 13 2006

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Office of Information and Regulatory Affairs
Office of Management and Budget

THROUGH: Joe Schubart
Regulatory Information Management Services

FROM: Lynn B. Mahaffie *Lynn B. Mahaffie*
Director
Teacher and Student Development Programs Service

SUBJECT: Request for Approval for the Teacher Quality Enhancement Grants
Program Scholarship Forms (OMB Control No. 1840-0753)

The purpose of this memorandum is to request approval for three Teacher Quality Enhancement (TQE) Grants Program scholarship forms -- the TQE Scholarship Terms and Conditions, the Addendum to the TQE Scholarship Terms and Conditions, and the TQE Verification of Teaching Obligation. On November 1, 2004, the TQE scholarship forms (OMB Control No. 1840-0753) were approved through May 31, 2006, while the Department of Education (ED) attempted to resolve computer security issues.

Currently, the Scholarship Terms and Condition Form and its Addendum are used by those TQE grantees that award scholarships and must enter into contracts with students in accordance with the TQE program regulations governing those awards. The scholarship students must then use the Verification of Teaching Obligation Form to verify fulfillment of the teaching obligation that is a condition of receiving the scholarship. These forms are the sole means of documenting the scholarship activities of this program. For grantee and student convenience, these forms are posted on TQE's Web site. These forms document students' obligations with respect to TQE scholarships and provide information for the program's debt collection effort. If these forms are not extended, TQE will have no means of implementing the statutory and regulatory requirements that relate to the award of TQE scholarships.

BACKGROUND

On August 18, 2003, OMB provided a six-month clearance, through February 29, 2004, for the TQE scholarship information collection forms in the Office of Postsecondary Education (OPE). The terms of clearance at that time included the provision that OMB would extend the approval for an additional 2.5 years and would waive the 30- and 60-day comment periods for resubmission, provided that the collection could be automated within that six-month time frame with sufficient security safeguards for personal information. While OPE initiated steps to automate the process with appropriate security safeguards within the six-month time frame, it became apparent that the magnitude of the task did not lend itself to developing a viable collection process in such a restricted time period. Thus, on March 26, 2004, OMB approved the collection forms through September 30, 2004. The forms were approved with changes on November 1, 2004, through May 31, 2006.

In an effort to comply with OMB's terms of clearance, OPE examined various options for achieving OMB's goal. At first, the most promising route towards creating an automated collection system with the appropriate security safeguards appeared to be through collaboration with ED's Office of Federal Student Aid (FSA). Because FSA engages in large debt collection efforts for federal student loan programs, it has access to appropriate computer systems, personnel, and contractor support that would not be cost-effective to duplicate in OPE.

Initially, extensive discussions with the Director of the Debt Collection Service in FSA led to the proposal that FSA would include the TQE scholarship component in an upcoming statement of work within the Common Services for Borrowers (CSB) contract that was planned for the coming year (2004). It was envisioned that the contract would support creation of a secure Web site that would be used for receipt of documents from both the grantees and the scholarship recipients, and tracking activities would be supported as well.

Unfortunately, the steps necessary to be included in the CSB contract proved difficult to implement and insurmountable barriers were encountered. OPE then attempted to work with FSA and with the Office of the Chief Information Officer (OCIO) toward the development of an electronic system that would support the collection of TQE scholarship monies from individuals whose scholarships convert to loans when they choose not to teach in a high-need area after graduation and certification.

Since TQE scholarship funds are awarded to students by grantees (i.e., institutions of higher education, states, or local school districts), it is the TQE grantee that executes the contract with the individual students and is responsible for the basic record-keeping requirements of the program. Thus, OPE explored ways to develop an e-document that grantees could "plug and play" to use as part of their own electronic systems with the assistance of FSA. The effort would have resulted in the creation of an e-document (including an e-signature) for use as the TQE promissory note by grantees that chose to use that process. TQE then identified three institutions of higher education that expressed interest in piloting the document.

On March 2, 2005, OPE submitted a management plan to Carrie Lovett, former Desk Officer at OMB, proposing the implementation of the institutional pilot project. To date ED has not received approval of this plan. Numerous attempts were made by ED's Regulatory and Information Management Service (RIMS) over the past year to get information on the status of the management plan. As noted above, the expiration date for this collection is May 31, 2006. ED is very concerned about the clearance of this collection, especially since OMB approval of the plan has not yet been received. (Please see the attached timeline of ED's attempts to gain OMB approval of its management plan.)

PROGRESS

Since approval of the previous package, OPE has made repeated efforts to meet OMB's terms of clearance for implementing an e-signature initiative for the scholarship contract portion of this collection. We have learned, however, that we cannot implement this initiative without substantial financial and technical support and assistance from other ED offices--most notably the Office of the Chief Financial Officer (OCFO) and the Office of the Chief Information Officer (OCIO).

Most recently, on February 1, 2006, TQE staff met with OCFO Assistant Secretary Michell C. Clark, who is also the Acting Chief Information Officer, with the goal of getting a project officer specifically assigned to this project and obtaining a dollar cost estimate to OPE for supporting implementation. At that time, TQE was advised that a full-scale implementation would take at least a year if everything proceeded smoothly, and was likely to take longer. The biggest and most time-consuming barrier would be developing a protocol with the Social Security Administration (SSA) that would enable the SSA to verify the authenticity of the personal identifiers provided by scholarship recipients and thus ensure that e-signature personal identification numbers (PINs) were issued to the appropriate individuals. It was also proposed that we survey our grantees to determine their capacities and preferences for an e-signature system. To conduct such a survey would require another OMB clearance package and would be a time-consuming process.

The Higher Education Act of 1965, as amended (HEA) is scheduled for reauthorization this year. It is possible that TQE, which has not been proposed for funding in the President's budget for the past two years, will not be reauthorized or that the scholarship component will be eliminated from the program. In either case, the expensive human and financial resources allocated to this initiative would not be necessary.

Assuming that the TQE program does continue in its present form, OPE supports the e-signature initiative and wishes to comply with OMB's request, since the implementation of an e-signature would not only reduce burden for respondents but would simplify program administration for OPE. Depending on the terms of clearance for this submission, OPE would remain committed to pursuing this initiative, but it must again be emphasized that OPE cannot proceed without substantial financial and technical support from other ED offices.

The OMB 83-I Form and supporting documents to continue using the current collection are attached. We request a three-year approval of the forms. If you have any questions regarding this package, please contact Kathy Price at (202) 502-7774.

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Kathy Price